

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6323

BILL NUMBER: HB 1063

NOTE PREPARED: Feb 18, 2005

BILL AMENDED: Feb 17, 2005

SUBJECT: Eminent Domain for Commercial Uses.

FIRST AUTHOR: Rep. Wolkins

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides that the state or a political subdivision may not use eminent domain to acquire property for public use to transfer any interest in property to another person for commercial use unless the property owner has rejected an offer from the state or a political subdivision that is equal to at least the higher of 150% of the property's assessed value or the average of 3 appraisals of the property.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues: See *Explanation of Local Revenues*.

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) This bill would allow the state or a political subdivision to acquire land via eminent domain for public use and transfer ownership for commercial use only if the owner of the property rejects an offer for the property of at least 150% of its assessed value or the average of three appraisals. The bill defines a commercial use as one that is not directly related to providing a governmental service or fulfilling a governmental responsibility. Uses such as private residential use or development, private development under a lease, and retail or industrial uses are listed by the bill as being commercial uses.

This bill could have a fiscal impact if the state or a political subdivision makes additional expenditures because

the eminent domain process will be able to be used to purchase property that was otherwise inaccessible. The fiscal impact of this bill is indeterminable. This bill does not affect utilities, airport boards, or railroads.

State Agencies Affected: Certain entities having the ability to exercise the power of eminent domain.

Local Agencies Affected: Certain entities having the ability to exercise the power of eminent domain.

Information Sources:

Fiscal Analyst: Valerie Ruda, 317-232-9867.